

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Exhibit B
Declaration of Brent C. Williams

Robert A. Julian (SBN 99469)
Cecily A. Dumas (SBN 111449)
BAKER & HOSTETLER LLP
1160 Battery Street, Suite 100
San Francisco, CA 94111
Telephone: 628.208.6434
Facsimile: 310.820.8859
Email: rjulian@bakerlaw.com
Email: cdumas@bakerlaw.com

Eric E. Sagerman (SBN 155496)
Lauren T. Attard (SBN 320898)
BAKER & HOSTETLER LLP
11601 Wilshire Blvd., Suite 1400
Los Angeles, CA 90025-0509
Telephone: 310.442.8875
Facsimile: 310.820.8859
Email: esagerman@bakerlaw.com
Email: lattard@bakerlaw.com

*Proposed Counsel for Official
Committee of Tort Claimants*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG& E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**DECLARATION OF BRENT C.
WILLIAMS IN SUPPORT OF
APPLICATION OF THE OFFICIAL
COMMITTEE OF TORT CLAIMANTS
PURSUANT TO 11 U.S.C. § 1103 AND
FED. R. BANKR. P. 2014 AND 5002 TO
RETAIN AND EMPLOY LINCOLN
PARTNERS ADVISORS LLC AS A
FINANCIAL ADVISER EFFECTIVE AS
OF MARCH 1, 2019**

Date: April 22, 2019
Time: 9:30 a.m. (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

Objections Due: April 15, 2019

1 Pursuant to section 1746 of title 28 of the United States Code, I, Brent C. Williams , hereby
2 declare under penalty of perjury that the following is true to the best of my knowledge, information,
3 and belief:

4 1. I am a Managing Director and Co-Head of Lincoln's Special Situations Group at
5 Lincoln Partners Advisors LLC ("**Lincoln**"), which has its principal office at 500 West Madison
6 Street, Suite 3900 Chicago, IL. I am authorized to execute this declaration on behalf of Lincoln.
7 Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein.

8 2. I submit this Declaration in support of the Application (the "**Application**") of the
9 Official Committee of Tort Claimants (the "**Committee**") of PG&E Corporation and Pacific Gas
10 and Electric Company (collectively the "**Debtors**") for the entry of an order authorizing the
11 Committee to retain and employ Lincoln as financial advisor to the Committee, effective as of
12 March 1, 2019, pursuant to section 1103(a) of title 11 of the United States Code (the "**Bankruptcy**
13 **Code**"), and Rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the
14 "**Bankruptcy Rules**"), and in accordance with the terms and conditions set forth in the
15 engagement letter between the Committee and Lincoln dated March 1, 2019, including its terms
16 for indemnification and contribution contained in Exhibit 1 to the engagement letter (the
17 "**Engagement Letter**").

18 3. Lincoln is an internationally recognized investment bank with both extensive
19 relevant experience and an excellent reputation in providing financial advisory services in other
20 large and complex chapter 11 cases. Lincoln has deep experience assessing business models with
21 characteristics similar to the Debtors', and Lincoln's professionals have significant experience
22 directly relevant to the Cases including expertise in power infrastructure, regulatory-specific
23 valuations, and complex energy valuations and claims analysis. As a global advisory firm, Lincoln
24 offers services across multiple groups within the investment bank including the Capital Advisory
25 Group, which includes the Special Situations and Debt Advisory groups of the investment bank,
26 the Mergers & Acquisitions Group. Through its Valuation Group, Lincoln also performs certain
27 limited financial reporting valuation engagements, primarily on behalf of asset management firms.

Lincoln's Valuations group has an "ethics wall" with Lincoln's investment banking group and is separate and distinct from the Capital Advisory Group.

4. Lincoln professionals have been involved in the restructuring of over \$100 billion in indebtedness and closed over 200 investment banking transactions in 2018 alone. Lincoln's Valuation Group regularly values over 1,600 companies on a quarterly basis including over 15 utility-specific valuation assignments. Members of Lincoln's Special Situation Group have represented over fifty official committees in developing and analyzing plans of reorganization, including among others, committees in *In re Chassix Holdings, Inc., et al.*, No. 15-10578 (Bankr. S.D.N.Y. 2015), *In re K-V Discovery Solutions, Inc.*, No. 12-13346 (Bankr. S.D.N.Y. 2012), *In re Citadel Broad. Corp.*, No. 09-17442 (Bankr. S.D.N.Y. 2010), *In re Trico Marine Servs., Inc.*, No. 10-12653 (Bankr. D. Del. 2010), *In re Philadelphia Newspapers, LLC*, No. 09-11204 (Bankr. D. Del. 2009), *In re Hayes Lemmerz International Inc., et al.*, No. 09-11655 (Bankr. D. Del. 2009), *In re Global Power Equipment Group, Inc., et al.*, No. 06-11045 (Bankr. D. Del. 2006), *In re Dura Automotive Systems, Inc., et al.*, No. 06-11202 (Bankr. D. Del. 2006) and *In re Cable & Wireless USA, Inc., et al.*, No. 03-13711 (Bankr. D. Del. 2003). Lincoln's professionals have a proven track record in complex restructuring cases including in *In re Residential Capital, LLC, et al.*, No. 12-12020 (Bankr. S.D.N.Y. 2010), *In re Visteon Corporation, et al.*, No. 09-11786 (Bankr. D. Del. 2009) and *In re Comdisco Holding Company, Inc.*, No. 01-24795 (Bankr. N.D. Ill. 2001). Lincoln's team is amply qualified to serve as the Committee's financial advisor as evidenced by the work of Lincoln's professionals in highly complex litigation assignments in *In re Washington Group International, Inc. et al.*, No. 01-31627 (Bankr. D. Nev. 2001), among other confidential mandates. Lincoln's professionals also have substantial experience in cases involving complex claims structure across multiple creditor classes, claims analysis, and claim reconciliation from their work in the Bernard L. Madoff Investment Securities LLC liquidating proceedings, and their work in *In re Garlock Sealing Technologies, LLC, et al.*, No. 10-31607 (Bankr. W.D. NC. 2010) and *In re W.R. Grace & Co., et al.*, No. 01-01139 (Bankr. D. Del. 2001). Lincoln also has expertise in managing asset recovery processes including non-traditional assets such as D&O proceeds from their work in *In re Black Elk Energy Offshore Operations, LLC*, No. 15-34287 (Bankr. S.D. Tex.

2015), *In re Washington Mutual Inc.*, No. 08-12229 (Bankr. D. Del. 2008) and *In re Touch America Holdings, Inc. et al*, No. 03-11915 (Bankr. D. Del. 2003). In *Touch America*, as the result of aggressive recovery strategies recommended by Lincoln's professionals, the Debtors' secured creditors, unsecured creditors, and preferred equity holders were all paid in full and equity holders received a material recovery.

5. In connection with its proposed retention by the Committee in the Debtors' Cases, Lincoln obtained from the Committee and/or its representatives the names of individuals and entities that may be parties in interest (individually a "**Potential Party in Interest**" and collectively the "**Potential Parties in Interest**") in the Cases. Lincoln searched the name of each Potential Party in Interest in Lincoln's customer relationship management software platform (the "**Lincoln CRM**") to determine the names of each Potential Party in Interest that has entered into engagement agreements with Lincoln in the last two years. Additionally, where a search of the Lincoln CRM *did not* produce a name identical to the name of Potential Party In Interest but *did* produce a name that could potentially be an affiliate of an Potential Party in Interest or associated with a Potential Party in Interest by virtue of name similarity, Lincoln also identified and disclosed relationships with any such Potential Party in Interest.

6. In several instances, the names on the Debtors' list of Potential Parties in Interest were very common and/or generic. As such, it was not possible to identify with certainty whether Lincoln has any client relationship to disclose for those specific names.

7. To the extent that this inquiry revealed that any of the Potential Parties in Interest (or their apparent affiliates or entities that Lincoln believes to be affiliates, as the case may be) entered into any such engagement agreements with Lincoln within the last two years, such parties are listed on Schedule 1 annexed hereto.

8. To the best of my knowledge and belief, Lincoln's representation of each entity listed on Schedule 1 (or their apparent affiliates or entities that Lincoln believes to be affiliates, as the case may be) was or is only on matters that are unrelated to the Debtors and these Cases. Other than as listed on Schedule 1, I am unaware of any investment banking engagements of Lincoln by the Potential Parties in Interest within the last two years.

1 9. Given the size of Lincoln and the breadth of Lincoln's client base, however, it is
2 possible that Lincoln may now or in the future be retained by one or more of the Potential Parties
3 in Interest in unrelated matters without my knowledge. To the extent the Debtors discover and
4 disclose additional Potential Parties in Interest during the course of these Cases, Lincoln will use
5 reasonable efforts to identify whether a material relationship exists with any such parties. To the
6 extent that Lincoln discovers or enters into any new, material relationship with Potential Parties in
7 Interest, it will supplement this Declaration.

8 10. In addition to the parties listed on Schedule 1, Lincoln may also represent, or may
9 have represented, affiliates, equity holders or sponsors of Potential Parties in Interest and Lincoln
10 may have worked with, continue to work with, have or had mutual clients with, been represented
11 by and/or advised certain accounting and law firms that are Potential Parties in Interest (and, in
12 the case of law firms, may have entered into engagement agreements in which the law firm was
13 named as client although the work was performed for a mutual client of Lincoln's and the
14 applicable law firm). Lincoln may also represent, or may have represented in the past, committees
15 or groups of lenders or creditors in connection with certain restructuring or refinancing
16 engagements, which committees or groups include, or included, entities that are Potential Parties
17 in Interest. Certain of the Potential Parties in Interest may also be vendors and/or have other non-
18 investment banking relationships with Lincoln.

19 11. Although Lincoln has researched the Potential Parties in Interest list, the Debtors
20 may have customers, creditors, competitors, and other parties with whom they maintain business
21 relationships that are not included as Potential Parties in Interest and with whom Lincoln may
22 maintain business relationships. In addition, as of the date hereof, Lincoln and its affiliates have
23 approximately 500 employees worldwide. It is possible that certain of Lincoln's and its affiliates'
24 respective directors, officers, and employees may have had in the past, may currently have, or may
25 in the future have connections to (a) the Debtors, (b) Potential Parties in Interest, or (c) funds or
26 other investment vehicles that may own debt or securities of the Debtors or Potential Parties in
27 Interest.

28

1 12. Presently, Lincoln's Valuations Group, which has an "ethics wall" with Lincoln's
2 investment banking group and is separate and distinct from the Capital Advisory Group, performs
3 certain limited financial reporting valuation engagements for the asset management affiliates of
4 certain of the Debtors' lenders as listed in Schedule 1. These financial reporting and valuation
5 engagements are unrelated to the Debtors and their Cases.

6 13. Lincoln provided mergers & acquisitions advisory services or debt advisory
7 services to certain of the Debtors' vendors or ordinary course professionals. These services were
8 provided in matters unrelated to the Debtors and their Cases.

9 14. Other than as disclosed herein, Lincoln has no relationship with the Debtors of
10 which I am aware after due inquiry. Based on the foregoing, I believe Lincoln is disinterested as
11 defined in section 101(14) of the Bankruptcy Code and does not hold or represent an interest
12 materially adverse to the Debtors or their estates.

13 15. The compensation structure, including the indemnification obligations, set forth in
14 the Application and Engagement Letter were negotiated at arms' length, and are consistent with
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Lincoln's typical compensation for work of this nature. The indemnification terms sought here have been standard for Lincoln engagements for years, and I believe them to be comparable to those generally obtained by financial advisory firms of similar stature to Lincoln for comparable engagements, both in and out of court. I am not aware of any restructuring engagements, whether in or out of court, where Lincoln has been engaged with indemnification provisions that are not consistent in all material respects with those requested here.

Dated: March 29, 2019



Brent C. Williams
Managing Director and Co-Head of Special Situations Group
Lincoln Partners Advisors LLC

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Schedule 1

Engagements with Interested Parties/Potentially Interested Parties

SCHEDULE 1

POTENTIAL PARTIES IN INTEREST	RELATIONSHIP TO DEBTORS	NAME OF ENTITY IN THE LINCOLN CRM	RELATIONSHIP TO LINCOLN
Deutsche Bank, Deutsche Bank Trust Company Americas, Deutsche Bank National Trust Company	Bank Accounts, Top Unsecured Creditors, Top Unsecured Notes, Interested Parties / Notice of Appearance Parties	Deutsche Bank AG	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
		Deutsche Bank Securities, Inc.	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
Morgan Stanley / ISG Operations, Morgan Stanley Bank, N.A., Morgan Stanley Senior Funding, Inc., Morgan Stanley Capital Group Inc., Morgan Stanley Bank, Morgan Stanley Bank/ Morgan Stanley Senior Funding, Morgan Stanley Senior Funding	Bank Accounts, Term and Revolving Loan Lenders and Administrative Agents, Contract Counterparties, Unsecured Notes	Morgan Stanley	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
Goldman Sachs Bank USA, Goldman Sachs	Term and Revolving Loan Lenders and Administrative Agents, Unsecured Notes	Goldman Sachs Middle Market Lending Corp.	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
		Goldman Sachs BDC	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
Lehman Brothers Commodity Services, Lehman Brothers	Contract Counterparties, Unsecured Notes	Lehman Brothers	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
UBS AG (Switzerland), UBS Investment Bank, UBS Securities	Contract Counterparties, Unsecured Notes	UBS O'Connor LLC	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases

SCHEDULE 1

POTENTIAL PARTIES IN INTEREST	RELATIONSHIP TO DEBTORS	NAME OF ENTITY IN THE LINCOLN CRM	RELATIONSHIP TO LINCOLN
		UBS Investment Bank	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
		UBS Securities LLC	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
Latham & Watkins LLP, Latham & Watkins	Non-Debtors Professionals, Ordinary Course Professionals	Latham & Watkins LLP	Counsel to a past Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
Paragon, Paragon Enterprises	Ordinary Course Professionals, Vendors	Paragon Partners GmbH	Past client on matters unrelated to the Debtors or the Chapter 11 Cases
BlackRock, Inc., BlackRock Fund Advisors	Significant Shareholders (more than 5% of equity), Significant holder of voting securities	BlackRock Financial Management, Inc.	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
		BlackRock Financial Management, Inc.	Current Valuation Group client on matters unrelated to the Debtors or the Chapter 11 Cases
Intren, LLC	Vendors	Intren, Inc.	Past client on matters unrelated to the Debtors or the Chapter 11 Cases
Quantum Spatial, Inc.	Vendors	Quantum Spatial, Inc.	Past client on matters unrelated to the Debtors or the Chapter 11 Cases

SCHEDULE 1

POTENTIAL PARTIES IN INTEREST	RELATIONSHIP TO DEBTORS	NAME OF ENTITY IN THE LINCOLN CRM	RELATIONSHIP TO LINCOLN
Schneider Electric Systems USA, Inc, Schneider Electric USA	Vendors	Schneider Electric SA	Past client on matters unrelated to the Debtors or the Chapter 11 Cases